

MINUTES

**MONTANA SENATE
59th LEGISLATURE - REGULAR SESSION**

JOINT SELECT COMMITTEE ON EDUCATION FUNDING

Call to Order: By **CHAIRMAN DON RYAN**, on March 15, 2005 at 8:05
A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Ryan, Chairman (D)
Rep. Bill E. Glaser (R)
Rep. Holly Raser (D)
Sen. Bob Story Jr. (R)

Members Excused: None.

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Eddy McClure, Legislative Branch
Lois O'Connor, Committee Secretary
Jim Standaert, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Discussion on Education Funding.

Subcommittee members and education stakeholders began discussing the classroom entitlement and what they felt belonged in a classroom.

REP. HOLLY RASER, HD 98, provided a draft chart that included a breakdown of the components in administration, building, teachers/classrooms, and students and adjustments for educationally relevant factors within those components. She said that the Subcommittee also needed, at some point, to factor in how many part- and full-time teachers would be needed in the smaller schools, middle schools, and high schools that offer many different electives that the state would fund to get the combination of teachers necessary in those schools. In addition, she questioned whether supplies should be counted as classroom supplies or student supplies.

EXHIBIT(jes57a01)

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REP. WILLIAM GLASER, HD 44, said at some point the Subcommittee will need to make the conscious decision to either do an average funding in the classroom, start paying the bills, or do a combination of both. He felt that **REP. RASER** was moving more toward paying the bills. He felt it premature to make firm decisions on the best way to do that. A paying-the-bills system becomes very complex because it is hard to ensure that the state is getting the best bang for its buck.

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SEN. DON RYAN, SD 10, felt that **REP. RASER'S** point was that a classroom entitlement more closely reflects teacher salary and retirement benefits, and it gives the state more flexibility to make adjustments in those components based upon the complexities districts have in certain areas for hiring and recruiting teachers. Multi-endorsed teachers are a smaller commodity than a singly-endorsed teacher which cuts the hiring field down. He said that the current system encourages districts to find the cheapest teacher possible rather than hiring the most qualified person willing to apply.

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REP. RASER questioned whether professional development should be considered a classroom cost or administrative cost since it is a fixed cost of doing business in schools.

REP. GLASER said that the quality of a teacher is a direct reflection on how much money a district has to hire a teacher. Small schools that need multi-disciplined teachers do not have the money to pay the teachers what they should be paid.

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SEN. ROBERT STORY, SD 30, said that the biggest cost in the classroom model is teachers and staff. He felt that the Subcommittee should begin with an average number and make adjustments. The problem that the Legislature has is that it cannot target the money to the local level because it cannot control their bargaining agreements and salary schedules. No matter how a school is funded, by classroom model or per-student, the process will put most of the money into salaries. He added that the current system has many institutional impediments to change built into it. He felt that it would be very difficult to implement what the Subcommittee wanted to implement.

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SEN. RYAN said that the Subcommittee needs to justify to the Court why a particular district will receive more money in its classroom entitlement and what the relevance of the money going into that component is. How the district chooses to use the money becomes the district's issue.

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Jack Copps, MT Quality Education Coalition (MQEC), said that the bottom line is whether the state is interested in providing schools with the capacity to recruit and retain quality teachers. If the state does not provide that capacity, the current capacity is 48th in the nation. The state either has to accept the argument that being 48th in the nation is not allowing some districts to recruit quality teachers or it has to assume that districts still have the ability to recruit and retain quality teachers. He did not believe that was the case and felt that the state needed to increase the capacity.

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Dave Puyear, MT Rural Education Association (MREA), said that in most of the schools in Montana, staffing is, in some cases, 90% of a school's budget which is the fundamental problem. However, the problem below that is, as those percentages of staffing have increased to those high levels, the deferred maintenance of school facilities has become unbelievable.

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SEN. RYAN asked how the Subcommittee should address the para-professionals within the classroom entitlement. He said that most para-professionals are addressed in the accreditation standards, but what about Title 1 and special education which does not always meet the needs of students. **REP. RASER** felt that para-professionals should go under federal programs or the student component and **SEN. STORY** felt that Title 1 and special education funds should follow the student.

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SEN. RYAN asked if there was a way for districts to get away from using their previous year's numbers to fund their next year's budget. **REP. GLASER** said if the state gets away from depending so much on the average number belonging (ANB) and gets back to classroom, it will not be so important whether it is this year's or last year's numbers. There will be enough money to spend on schools. Although students need to be in the mix, because the number of students in the classroom makes a difference in the incidentals, the classroom is the most important component of the cost of education. ANB starves the system to death when schools start losing students.

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Eric Feaver, MEA-MFT, said that, to him, a classroom is a unit that describes four walls. He was unsure whether the Subcommittee wanted to go that way and felt that it should work with the accreditation standards, special education, and Title 1 and what those components require in terms of personnel. He said that is a classroom unit. He felt that the driving force should be what human resources are necessary to do what needs to be done, not the number of classrooms the state has.

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SEN. RYAN said that to him FTE and classroom were the same thing. If a classroom is empty, it does not provide education. It has to have an instructor and it has to be heated. When the heat bill goes up that is a fixed cost of the facility it varies in every district. Districts need the ability to adjust what is available to be cost effective. If districts find ways to be more cost effective in their maintenance, it allows them to move money into other areas of the budget as long as the state gives them a reasonable amount of money to meet certain costs.

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REP. RASER was concerned with the Subcommittee's discussion about what the state is currently doing and that it was going to be more expensive than it can manage. That is the way it is. She hoped that the Subcommittee would look at what are the basic costs and then figure out how the state could ramp up the funding to the basic cost. **SEN. RYAN** said that it was too early to put in any numbers. He felt that the Subcommittee first needed to agree upon what goes into the classroom part of the model, what goes into the student part of the model, and what goes into the facility part of the model. Then it can start plugging in the numbers.

REP. GLASER said that he would like to concentrate on those things within a classroom that are not wildly different from classroom-to-classroom across the state. He did not believe that heat and electricity could be lumped in with the teacher inside the classroom because heat and electricity vary so much from school to school. The second step could then be what are the variables of the students, with the third and fourth steps being overhead and administrative costs which encompasses the four major components of a school excluding transportation.

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REP. RASER felt that the Subcommittee has agreed that the classroom component included a teacher, health insurance and retirement contributions for the teacher, professional development, and basic instructional supplies and materials. **SEN. RYAN** said that current and long-term expenditures needed to be separate.

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Rod Svee, Superintendent, Billings Public Schools, said that the assessment component is too often overlooked. It can be addressed within the classroom unit, but it has to be planned in because it is not traditional. **SEN. RYAN** asked, if the assessment is done at the classroom level, was it still reported out in the administrative portion of what a district has to do. **Mr. Puyear** said that under "No Child Left Behind" (NCLB), the assessment is referred to by building. **Mr. Svee** added that NCLB also adds grade levels. Currently, there are performance standards within the state standards. The state must ensure that all second graders, for example, are reaching the performance standards at certain levels. Currently, districts do not have to report this to the state, but it will in the future and it must be computerized.

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SEN. RYAN questioned whether the student portion of the classroom should include long-term investments, such as computers, so that the weighted portion of the student could be justified. **REP.**

RASER felt that the assessment portion should be included in both the administration and the student portions.

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Mr. Puyear asked under which component would maintenance fit.

SEN. RYAN said that maintenance would fit under the facility component along with overhead. **REP. GLASER** added that nurses, counselors, and librarians would fall under the classroom component and overhead. **REP. RASER** added that nurses, counselors, and librarians are also associated with salaries, health insurance, retirement, and basic supplies. She questioned whether the teacher/classroom component should be called the FTE component. **SEN. RYAN** said that the accreditation standards refers to librarians, counselors, and nurses based upon the number of students within a school. Even if the school is not of the size that needs a full-time librarian, for example, resources need to be available for schools to co-op within their regions to meet the needs. Based upon the number of students, those people can be plugged in to those schools.

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Mr. Svee said that there is a student/teacher ratio within the accreditation standards for counselor and librarians. However, there is nothing for support services. He asked if support services could be a percentage of population by size. **Mr. Copps** said that professional development is an instructional support service along with counselors and librarians. The classroom unit should include instructional support.

SEN. RYAN asked what types of support services were not mentioned in the accreditation standards. **Mr. Puyear** said clerks and speech therapists are two.

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Lynda Grannon, MT Association of School Business Administrators (MASBO), said that schools need to ensure the coverage of the three "Bs"--beans, buses, and brooms. If school funds are going to be combined, people in the 3-B category must be considered to even get the teacher into the classroom.

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Mr. Svee said that to project staffing patterns by school size, he developed a graph by number of schools and by number of teachers. If a trend line is drawn, it is a good predictor, and the trend line can be changed to change the number of staffing to establish a classroom unit by size of building. He also felt that the same thing could be applicable for support positions. **Mr. Svee** will provide a copy to the Subcommittee.

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SEN. STORY said that the classroom model needed to be divided into elementary, middle, and high school units.

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SEN. RYAN asked about the smallest high school in Montana and its minimum staffing. **Mr. Puyear** said that Montana has outlying schools that are in the process of consolidating, so that is a dead issue. However, there are no viable high schools much under 20 students.

Mr. Svee said that there are minimum school programs required by the accreditation standards. The programs can be defined by the staff. If a school has 20 students, it takes the same number of staff, but the cost per student is much higher because the costs are the same and there are fewer students. The breakpoint will be at about 125 students per school before more staffing is added.

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REP. GLASER said that there are several small high schools that have 4.8 FTEs and the rest have five or more. The conclusion is that high schools cannot get by with less than five teachers regardless of how few students they have.

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Mr. Feaver said that Montana is still in negotiations with the U.S. Department of Education over NCLB's definition of "highly qualified" teachers. **Joe Lamson, Office of Public Instruction (OPI)**, said that Montana was to receive an answer at the end of December, but has not yet received it. However, the Department approved North Dakota's definition which is almost identical to Montana's, with one caveat. Montana bases its definition on its teacher preparation programs through higher education. **Mr. Feaver** said that teaching Social Studies is not acceptable under NCLB, but science is. The statute specifically delineated curriculum and disciplines. He felt that Montana should not conclude that endorsements are not going to be valid. He added that OPI has

vigorously defended Montana on how it prepares teachers in the state and how they are qualified to teach students.

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Mr. Svee said that the only thing the endorsement would do is elevate the numbers. It will not change the Subcommittee's thought process. **Mr. Feaver** said that endorsement makes it ever more difficult to employ which is the problem. It also questions what Montana means by "quality" when the federal government is telling the state that if teachers have a major, they are qualified, but are not qualified if they have a minor. Montana's whole infrastructure is predicated on endorsements not on majors, and it would be a huge cost to the state.

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SEN. RYAN questioned, if a high school gets so small that it co-ops for sports, why can it not co-op for education. **Mr. Puyear** said that Cascade is talking about co-oping football because Cascade is very close to Great Falls and those students have many other things going on in their lives besides athletics. The school has very successful FFA and vo-ed programs which is why it only has 12 to 17 students who want to play football. **SEN. RYAN** said that the reason that K-12 districts have to have a high school is that under the current fund structure, the basic entitlement for high schools is large and the elementary entitlement is small. The high school is used to fund the facility and the building in which the elementary is housed. The funding structure needs to be changed to deal with the fixed costs of a facility not whether it is designated a high school or an elementary building. It is just a school building.

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SEN. STORY said that the Subcommittee needs to focus on what is needed if there is a school with one classroom, what is needed if there is a school with two classrooms, and so on, until the school gets to the point where it needs support staff. If the Subcommittee uses the accreditation standards as a basis for classroom size, it needs that information lined out. Then it must figure out those things that are not in the standards. He said a classroom is a classroom. It does not matter if there is one or 100. It is where a school gets enough single classrooms accumulated that it has to deal with librarians, counselors, and music teachers. The same thing should be done for high schools. The people who work with these issues need to pitch in and help the Subcommittee get the classroom figured out because that is where all the money is.

{Tape: 2; Side: B; Time Counter: 2.8}

Mr. Svee said that special education dollars are not designated supplemental benefits. However, Titles 1, 4, 5, and 7 are true supplemental benefits. He cautioned the Subcommittee to not lump federal funds all together when it begins blending the dollars into the new system. He said that schools cannot supplant their budgets with true supplemental dollars. He suggested to not add the true supplemental dollars into the total level that the Subcommittee wants to fund. Then it does not have to worry about it.

Following a brief discussion, the Subcommittee decided that it would focus on the classroom and the components of the classroom only, that it would talk about the current and long-term expenditures related to a classroom, review the differences between a high school and elementary school and what goes into the classrooms at the different levels, and blend in the federal money and special education.

Staff would provide trend line information and OPI will furnish information on the FTE to ANB ratio.

ADJOURNMENT

Adjournment: 9:40 A.M.

SEN. DON RYAN, Chairman

LOIS O'CONNOR, Secretary

DR/lo

Additional Exhibits:

EXHIBIT ([jes57aad0.PDF](#))